

March 18, 2003

Honorable George Miller
U.S. House of Representatives
2205 Rayburn House Office Building
Washington, DC 20515-0507

RE: The College Opportunity for a Better America Act of 2003 and the College Affordability and Lifetime Savings Act

Dear Representative Miller:

On behalf of the American Council on Education (ACE) and the organizations listed below, I thank you for introducing the College Opportunity for a Better America Act of 2003 and the College Affordability and Lifetime Savings Act. These proposals would expand loan forgiveness and cancellation programs for nurses, teachers and other public service employees and convert the deduction for student loan interest to a tax credit. We look forward to further discussions with you regarding your legislation, as we proceed in the development of the Higher Education Act reauthorization.

We are grateful to you for working so hard to help America's students finance their college education. We particularly appreciate your emphasis on alleviating the loan burdens that might prevent students from pursuing careers in education, nursing, child care, nutrition and other essential, but not remunerative, occupations. Providing financial incentives to these students, and others who pursue careers in public and community service via the federal loan programs, is one of the best ways to attract and retain talented individuals to academic study and vocations in these important fields.

The proposal to change the treatment of the student loan interest deduction to a 50 percent credit on the annual interest paid by a taxpayer opens a new and interesting avenue for further discussions. This is a more generous proposal than the current student loan interest deduction that was included in the Economic Growth and Tax Relief Reconciliation Act of 2001.

Honorable George Miller
March 18, 2003
Page 2

While we need time to further examine and analyze the affects of both these proposals, we are pleased that you have offered these bills to benefit our students. Thank you for your leadership on these important issues. We look forward to working with you on these areas of mutual interest and concern.

Sincerely,

David Ward
President

DW/cms

On behalf of:

American Association of Community Colleges
American Council on Education
Association of American Universities
Association of Community College Trustees
Association of Jesuit Colleges and Universities
Council for Opportunity in Education
National Association of College and University Business Officers
National Association of State Universities and Land-Grant Colleges
National Association of Student Financial Aid Administrators
United Negro College Fund